

# 2021 Energy Legislation

Grace Arnold, Commissioner  
Aditya Ranade, Deputy Commissioner- Division of Energy Resources

# Presenters



Grace Arnold  
Commissioner



Aditya Ranade PhD  
Deputy Commissioner, Energy Resources

# What does Commerce do?

Protect all Minnesotans  
in their everyday financial transactions by  
investigating and evaluating services, and  
advocating that the services  
be fair, accessible, and affordable.

# What are Commerce's services?

Protecting all Minnesotans in their everyday financial transactions in these areas

Financial  
Institutions

Insurance

Energy  
Resources

Unclaimed  
Property

Enforcement

Telecommunications

Licensing

Senior financial fraud

Petrofund

Weights &  
Measures

Consumer  
Service Center



# Division of Energy Resources

- Promote clean, reliable, and affordable energy for Minnesota businesses and homes
- Advocate on behalf of public interest in state and federal regulatory proceedings
- Maintain state emergency energy planning and recovery plans
- Oversee the Conservation Improvement Program, including Conservation Applied Research & Development
- Promote energy-efficient buildings and emerging energy technologies
- Administer the Home Energy Assistance and Weatherization Assistance Programs

# Division of Energy Resources

- Energy Assistance Program
- Energy Environmental Review and Analysis
- Energy Regulation and Planning
- MN State Energy Office
- Telecommunications

# Legislative Landscape



- **What Didn't Pass**
- **What Passed**
- **Implementation**
- **Upcoming Milestones**



# What did NOT Pass

- 100% Carbon Free Electricity by 2040
- Clean Energy First
- SB 2030 - Building Energy Codes
- Goal to reduce emissions from existing buildings by 50% by 2035



# What Passed

- Energy Conservation Optimization Act (ECO)
- Healthy AIR (Asbestos Insulation Remediation)
- Natural Gas Innovation Act (NGIA)
- MN Efficient Technology Accelerator (META)
- Cold Weather Rule and Utility Disconnect Changes
- Renewable Development Account Appropriations e.g. Solar on Schools (SOS), UST Microgrid, UofM Hydrogen+Ammonia



# 2021 Energy Conservation & Optimization Act (EC0)

- Signed into law by Governor Walz (May 26, 2021)
- Result of multiple years of discussion and development
- Primarily modernizes CIP framework to provide more holistic approach to efficiency programming



- Provides utilities with the opportunity to optimize energy use and delivery through inclusion of:
  - Load management programs
  - Efficient fuel switching programs
  - Raises the energy savings goals for the state's electric investor-owned utilities (IOUs)
  - More than doubles the low-income spending requirement for all IOUs
  - Provides greater planning flexibility for municipal and cooperative utilities
  - Includes activities to improve energy efficiency for public schools





# ECO Technical Guidance – Key Dates

- By August 1, 2021 Convene stakeholder group and develop guidelines for eligibility of multifamily buildings to participate in low-income programs (See 216B.2403 Subd. 5(e))
- By December 31, 2021 Develop methodology for determining electric sales associated with EV charging. These sales will be excluded from gross annual retail sales until after December 31, 2032. (Minn. Stat. 216B.2402 Subd. 10(3))
- By March 15, 2022 Department will provide:
  1. Technical guidelines for IOUs and COUs to determine whether a fuel switching program meets the criteria and calculate amount of energy saved due to a fuel switching improvement. (Though not included explicitly, load management cost-effectiveness methodologies will also need to be developed) (Minn. Stat. 216B.241 Subd. 1(d)e)
  2. List of preweatherization measures eligible for inclusion in low-income programs (See 216B.2403 Subd. 5(f))

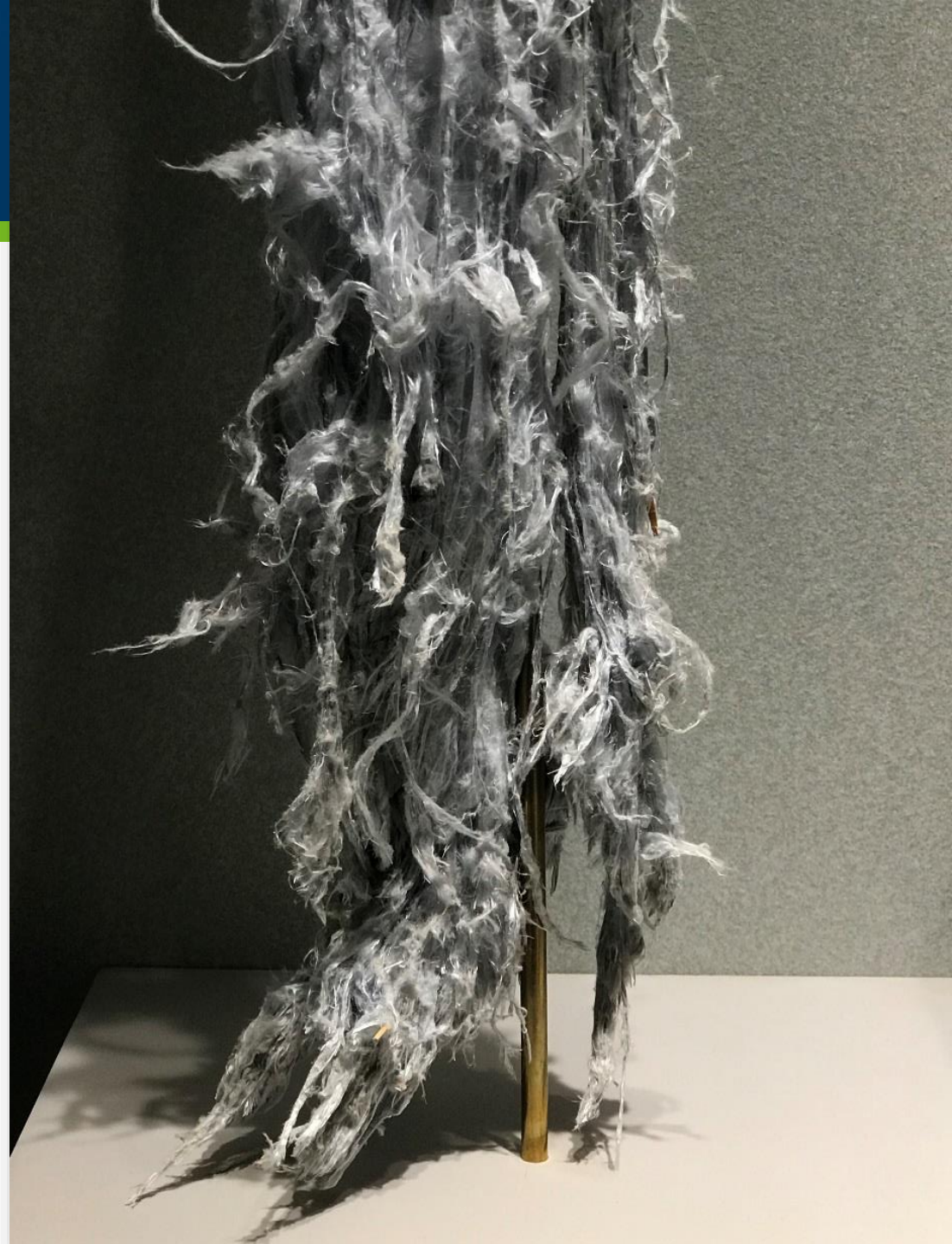
# Healthy AIR

## (Asbestos Insulation Remediation)

1) HF 6, Provides \$150,000/year to remediate vermiculite insulation from income-eligible WAP households.

HF 164: Allows utilities to contribute to Healthy AIR; counts toward minimum low-income spending requirement and 15% cap on pre-wx measures.

Final policy revisions underway; roll-out pending.



# Natural Gas Innovation Act (NGIA)

## Gas Future (Docket 21-565)

- Evaluation of the role of natural gas in achieving statewide GHG reductions
- Commerce's Role is to bring technical expertise and advocate on behalf of the public in PUC proceedings.
- Status of Implementation - The PUC held a Planning Meeting on August 3rd. Follow the docket for next steps.

## Innovation Plan Frameworks (Docket 21-566)

- Establish frameworks for utility innovation plans including lifecycle GHG accounting, Cost benefit/effectiveness requirements, etc.
- Commerce's role is to bring technical expertise and advocate on behalf of the public in PUC proceedings.
- Utility plans cannot be filed before June 1, 2022.



# MN Efficient Technology Accelerator (META)

- **Goal:** to accelerate deployment and reduce the cost of emerging and innovative efficient technologies.
- **Focus:** strategic initiatives with technology manufacturers to improve the efficiency and performance of products.
- **Benefits:** cost effective energy savings for Minnesota utilities, bill savings for Minnesota utility consumers, enhanced employment opportunities in Minnesota, and avoidance of greenhouse gas emissions.
- **Requirements:** nonprofit organizations with extensive experience implementing energy efficiency programs in Minnesota and conducting efficient technology research in the state to file a proposal for a program with Dept of Commerce

# Submitting META Proposal

- Interested organizations must file a notice of intent describing the nonprofit's qualifications and eligibility to file a proposal.
- Eligible organizations will be required to work extensively with stakeholders to determine proposal budget, energy savings attribution methodologies, selection of appropriate natural gas and electric technologies, and a process for tracking and measuring technological progress.
- For more information, see: Minn. Stat 216B.241 subdivision 14 or contact Anthony Fryer at [anthony.fryer@state.mn.us](mailto:anthony.fryer@state.mn.us)

# Cold Weather Rule and Utility Disconnect Changes

- Cold Weather Rule period now October 1 – April 30 (changed from October 15 – April 15th); Provision for municipal utilities and cooperatives related to virtual disconnection; For municipal utilities and co-ops, reporting of disconnect notices to Commerce and local energy service provider, Commerce can receive info on actual disconnects from all utilities
- Commerce consulting with utilities & stakeholders on implementation





# Solar On Schools: Multiple Programs

**GOAL:** To provide financial assistance to schools to purchase and install solar energy generating systems (216C.375)

## W/in Xcel: Solar on Schools

- \$8,000,000 RDA
- Up to 1 MW
- Xcel administered
- File program plan by 10/1
- Dept. approve by 12/31

## Outside Xcel: Solar on Schools

- \$8,000,000 GF
- Up to 40 kW
- Commerce Administered
- Funds expire 6/2027

## Statewide: Solar on Colleges

- \$2.484M (FY 22)
- \$2.276M (FY24)
- Both assigned to Commerce

# Solar On Schools: Commerce Role

- Legislative Report from Commerce due annually: beginning **1/15/22**
- Commerce Full administration of outside Xcel SOS program and Solar on State Colleges and Universities, plus technical assistance
- Launch date planned for January 2022
- By December 31st, Commissioner must approve Xcel's Solar on Schools plan

## **Under development:**

- Beginning process to hire program manager.
- Internal staff meetings to develop RFP process and application metrics

# Other Key Energy Provisions

- Agricultural Weather Study (UMN)
- Microgrid Research and Application (University of St. Thomas)
- Clean Energy Training Pilot Project (Northgate)
- Conservation in State Buildings Revolving Loan Fund (Admin)
- Renewable Ammonia/Hydrogen Demonstration (UMN)
- Solar Pilot Project (MMB-Anoka County)
- Mountain Iron Solar (Mt. Iron EDA)



# Other Key Energy Legislation

- Energy Transition Office (DEED)
- New statewide on-site solar photovoltaic master contract (Admin)
- Solar\*Rewards Extension (Comm)
- "Buy Clean" Study (CSBR)

# For More Information

Provision/Act	Point Person
Energy Optimization and Conservation	Anthony Fryer
Natural Gas Innovation Act	Jessica Burdette
Healthy Air	Peter Gens
Solar for Schools	Jack Kluempke
MN Efficient Technology Accelerator (META)	Anthony Fryer
"Buy Clean" Study	Kari Moeller
Xcel/St. Paul District Energy Electrification & PPA	Jessica Burdette
Solar*Rewards Extension	Lise Trudeau
Brightfields Pilot Program for solar on closed landfills	Jack Kluempke

# For More Information

Provision/Act	Point Person
UMN Ag Weather Study	Aditya Ranade
Univ of Saint Thomas Microgrid	Lise Trudeau
UMN Renewable Ammonia/Hydrogen Demonstration	Lise Trudeau
Conservation in State Buildings Revolving Loan Fund	Kari Moeller
North Minneapolis Clean Energy Training/Apprenticeship Center	Michelle Gransee
Energy Transition - Office, Advisory Committee, Plan	Katherine Blauvelt, Aditya Ranade

[Policy / Minnesota.gov \(mn.gov\)](https://mn.gov/commerce)

Questions? (Submit via Q&A in Webex)



# Thank you!

## Commerce Government Affairs Contacts

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